



A Better Future for Surplus

Environmental, Social, and Governance Report 2022

Forward-Looking Statements

This document contains forward-looking statements. These statements are only predictions. The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks and other factors include but are not limited to the factors set forth in our Annual Report on Form 10-K for the year ended September 30, 2021 and subsequent filings with the Securities and Exchange Commission. You can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “would,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “continues” or the negative of these terms or other comparable terminology. Our business is subject to a number of risks and uncertainties, and our past performance is no guarantee of our performance in future periods. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. There may be

other factors of which we are currently unaware or deem immaterial that may cause our actual results to differ materially from the forward-looking statements.

All forward-looking statements attributable to us or persons acting on our behalf apply only as of the date of this document and are expressly qualified in their entirety by the cautionary statements included in this document. Except as may be required by law, we undertake no obligation to publicly update or revise any forward-looking statement to reflect events or circumstances occurring after the date of this document or to reflect the occurrence of unanticipated events.

To supplement our consolidated financial statements presented in accordance with generally accepted accounting principles (GAAP), we use certain non-GAAP measures of certain components of financial performance. These non-GAAP measures include earnings before interest, taxes, depreciation and amortization (EBITDA), Adjusted EBITDA, Adjusted Net Income (Loss) and Adjusted Earnings (Loss) per Share. These non-GAAP measures are provided to enhance investors’ overall understanding of our current financial performance and prospects for the future. We use EBITDA and Adjusted EBITDA: (a) as measurements of operating performance because they assist us in comparing our operating performance on a consistent basis

as they do not reflect the impact of items not directly resulting from our core operations; (b) for planning purposes, including the preparation of our internal annual operating budget; (c) to allocate resources to enhance the financial performance of our business; (d) to evaluate the effectiveness of our operational strategies; and (e) to evaluate our capacity to fund capital expenditures and expand our business. We believe these non-GAAP measures provide useful information to both management and investors by excluding certain expenses that may not be indicative of our core operating measures. In addition, because we have historically reported certain non-GAAP measures to investors, we believe the inclusion of non-GAAP measures provides consistency in our financial reporting. These measures should be considered in addition to financial information prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results. A reconciliation of all non-GAAP measures included in this presentation to the most directly comparable GAAP measures is included in this presentation.

The following discussion should be read in conjunction with our consolidated financial statements and related notes and the information contained in our Quarterly Report on Form 10-Q for the period ended December 31, 2021.

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Message from Our CEO

To Our Stakeholders,

Liquidity Services was founded in 1999 to create a better future for organizations, individuals, and the planet by capturing and unleashing the intrinsic value of surplus. We are proud to say that we operate the world's largest B2B e-commerce marketplace platform for surplus assets that enables the reuse and redeployment of underutilized assets, powering key enablers of circular economy adoption in the process. At our inception, we committed ourselves to making a positive impact on the environment and the communities we serve. Our pursuit of these core values for the past 22 years was not driven by investing trends or a desire to earn accolades, but rather because it is simply the right thing to do.

Powering the Circular Economy

Liquidity Services has built transparent, innovative and highly effective marketplaces and integrated services that have reliably connected buyers and sellers of surplus assets across the globe, supporting over \$9 billion of completed transactions. We serve the world's largest organizations in every major sector of the economy, and our clients trust us with the design and management of large scale asset recovery programs that support important sustainability and financial recovery goals. Through our e-commerce marketplace platform, technology tools and services, we have empowered global organizations to achieve zero waste solutions for surplus and scrap items previously discarded as waste, including both finished goods and capital equipment.

When we founded Liquidity Services, many organizations perceived sustainability programs as mainly an obligation. Today, however, we are helping organizations intelligently integrate sustainability initiatives into their core business, unlocking value through increased efficiency, and creating loyal customers who value and appreciate improved stewardship of the environment.

Surplus management solutions don't just help our clients meet sustainability goals – they generate profits and cost savings. The same proven sales processes and marketing solutions that find new homes for our clients' surplus assets also generate valuable recovery for these items. Our ground-breaking work in e-commerce and sustainability has been recognized by multiple awards from numerous public sector agencies, Business Week, Forbes, Fortune, the National Retail Federation, the Washington Business Journal and The Washington Post among others.

Sustaining Communities

Since its inception, Liquidity Services has abided by the philosophy of "Doing Well and Doing Good" as a core value. Small businesses are the backbone of our global economy. It has never been more important to help small businesses get back on their feet to ensure local communities remain both economically and socially healthy. Liquidity Services has extended its marketplace solutions to small businesses to help these organizations raise cash and meet their working capital needs. As in-person gatherings, such as live auctions, are less safe and effective, small businesses can rely on our online marketplace solutions to securely transact business on a global scale with maximum convenience and flexibility. As we grow and

succeed, we also support positive social impact in our communities through our contribution of volunteer hours, physical supplies and financial resources to organizations that support diversity, childhood development, disaster relief, fighting homelessness and supporting those in service to our military.

Thank you for investing the time to learn more about Liquidity Services. We welcome you to partner with us to Build a Better Future for Surplus and, in the process, positively impact the environment, help small businesses and build valuable social impact in our communities.



William P. Angrick, III

CEO and Chairman
of the Board of Directors



About Liquidity Services

At Liquidity Services, our mission is to build a better future for surplus. We operate the world's largest B2B e-commerce marketplace platform for surplus assets and support our clients' sustainability efforts by helping them extend the life of assets, prevent unnecessary waste, and divert products from landfills. With a deep commitment to superior service, we empower our clients to make informed, sustainable decisions, mitigate risks, and generate meaningful and measurable results. Through our reach, multichannel sales capabilities, and unparalleled scope of services, we have been able to simplify clients' operations and enhance their productivity globally. We've played an integral role in many of our clients' zero-waste initiatives and have worked with corporations, federal agencies, states, and municipal governments to pioneer some of the largest green initiatives to date, deferring billions of pounds of surplus assets from landfills.

Since 1999, Liquidity Services has served as a leader in the circular economy. Over the last 22 years, we have worked to build a better future for buyers, sellers, and the planet through our surplus management solutions and marketplaces.

Liquidity Services is an Industry Leader in the Circular Economy

+15,000

Trusted Clients Worldwide

+\$9.0 Billion

Completed Transactions

+4.7 Million

Registered Buyers

+700,000

Transactions Completed Annually

+600

Asset Categories Experience

+130

Global Fortune 1000 Clients

Our Core Values

Our leadership in powering the circular economy is based on principles inherent to who we are. We founded our company on deeply held beliefs and we stay true to them today.



Integrity

Our partners and colleagues know they can trust us to always keep our promises, be transparent, and adhere to the highest ethical standards.



Customer Focus

Buyer and seller satisfaction are key to our continued success. We seek to exceed our customers' expectations every day.



Relentless Improvement

We embrace change and are motivated to constantly improve our individual and collective performance.



Innovation to Support Leadership

We continually seek out, develop, and implement new ideas to enhance our position as industry leader.



Mutual Trust and Accountability

Our collaborative environment focuses on open communication, mutual respect, teamwork, and acknowledging our successes and failures.



Shared Success

Everyone in our organization acts as leaders with a shared sense of pride in our accomplishments.



Doing Well and Doing Good

By continuing to positively impact our clients and the environment, we make Liquidity Services a rewarding place to work.



Material Topics

As a leader in the circular economy, we recognize the gravity of the choices we make as a company, as well as our duty to perform operations responsibly and ethically. The issues material to Liquidity Services which guide this report encompass a range of stakeholders who are or may be directly impacted by our actions as a company.



Environmental: The Planet

We serve as an engine for sustainability by empowering organizations and individuals to move away from the traditional “take-make-waste” linear model and adopt a more “circular” approach that keeps items in use for as long as possible in zero-waste value chains. Through our marketplace platforms, we power the circular economy by expanding the number of market participants, extending the life of assets, increasing reuse, preventing unnecessary waste, deferring assets from landfills, and facilitating surplus disposal in more environmentally friendly ways.

Social: People and Communities

We embrace our Core Value of “Doing Well and Doing Good.” As we grow and succeed, it is important to serve as a positive force in our communities through volunteerism, supply drives, and financial assistance. We recognize the far-reaching impact of our business and work to empower small businesses by enabling their access to a global supply of consumer goods inventory and capital assets.

We create a rewarding place for our employees to learn, contribute, and grow every day. Through our collaborative environment, we promote open communication, teamwork, mutual respect, and camaraderie amongst our employees. We recognize the unique talents and knowledge our employees possess, and we strive to create an inclusive, positive environment that fosters continual success.

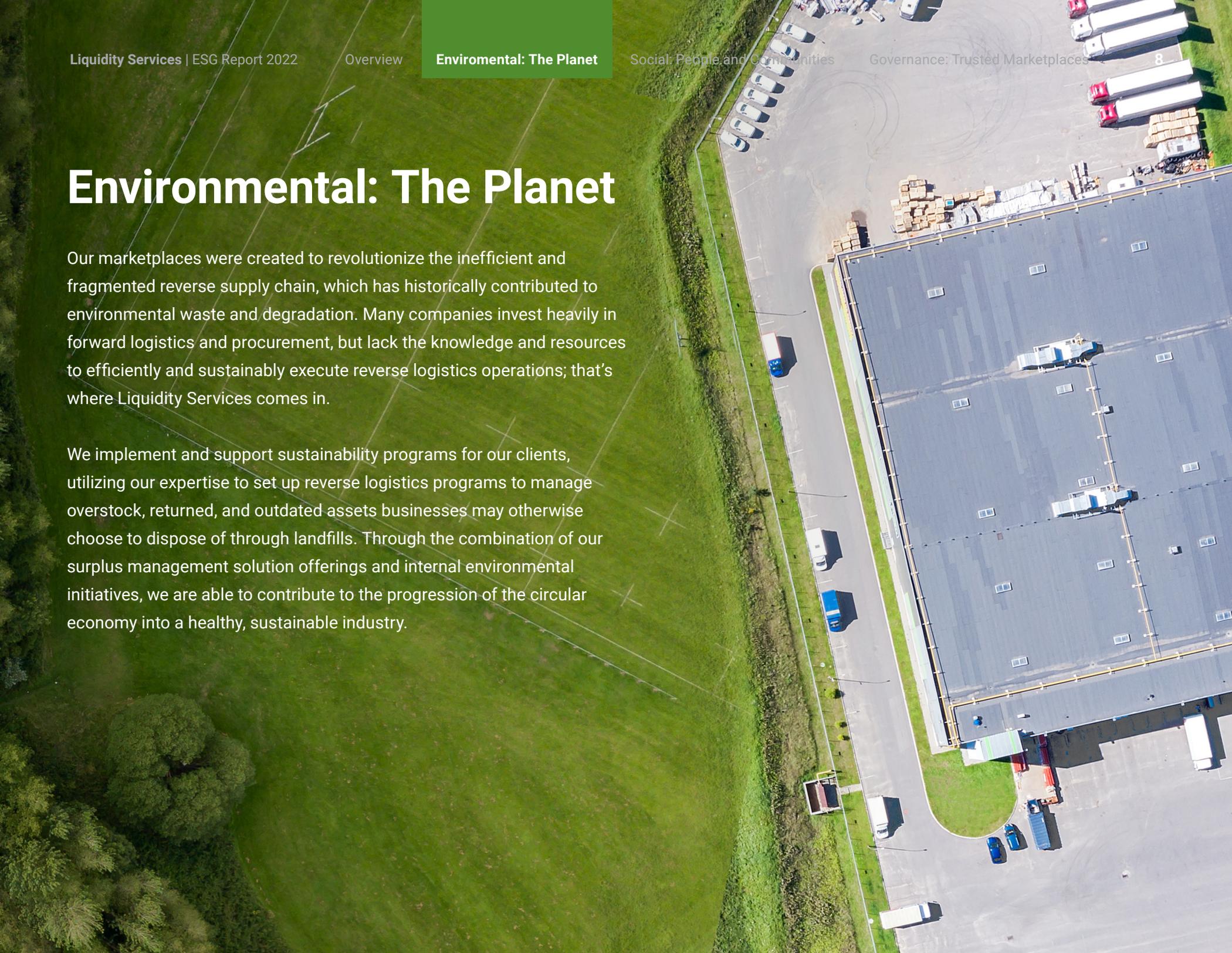
Governance: Trusted Marketplaces

We continuously execute and improve our services to operate trusted marketplaces that support the secondary market by empowering buyers and sellers to harness the power of surplus. Our goal is to offer solutions and utilize industry knowledge and a large buyer base to help businesses realize value from excess items. We serve as a trusted partner to our clients, and enable the circular economy through our marketplaces.

Environmental: The Planet

Our marketplaces were created to revolutionize the inefficient and fragmented reverse supply chain, which has historically contributed to environmental waste and degradation. Many companies invest heavily in forward logistics and procurement, but lack the knowledge and resources to efficiently and sustainably execute reverse logistics operations; that's where Liquidity Services comes in.

We implement and support sustainability programs for our clients, utilizing our expertise to set up reverse logistics programs to manage overstock, returned, and outdated assets businesses may otherwise choose to dispose of through landfills. Through the combination of our surplus management solution offerings and internal environmental initiatives, we are able to contribute to the progression of the circular economy into a healthy, sustainable industry.





Powering the Circular Economy

Liquidity Services was born out of a desire to reduce the fragmentation of the reverse logistics process and improve the methods with which businesses manage their surplus, overstock, and outdated assets. As leaders in the reverse supply chain industry, we operate entirely within the circular economy and actively work to support re-commerce processes for retailers and manufacturers.

To power the circular economy, we:

- Manage, value, and sell surplus across the globe in a broad range of asset categories and conditions
- Maximize recovery in an efficient global marketplace
- Optimize and execute surplus management strategies to achieve client business goals

The sudden increase in e-commerce sales spurred by the COVID-19 pandemic resulted in an equally staggering jump in retail returns, increasing from 10.6% of all online purchases in 2020 to 16.6% in 2021, representing about \$761 billion ¹. Our marketplaces serve as platforms to connect retailers with buyers and redirect millions of tons of returned goods away from landfills. A significant portion of items sold through our marketplaces are unused or in like-new condition, serving as a testament to the profitability and necessity of the circular economy. Without reverse logistics channels, perfectly good assets might otherwise become waste.



1. <https://nrf.com/media-center/press-releases/retail-returns-increased-761-billion-2021-result-overall-sales-growth>

SPOTLIGHT: Integrating Sustainability with Technological Innovation

While technological progress greatly improves our lives, it can also result in an increase in waste as newer technologies obviate the need for older ones. When Marvell Technologies, a data infrastructure technology company, found themselves accruing more and more waste as their innovation progressed, they reached out to Liquidity Services to manage their surplus and excess material in a sustainable and equally innovative way.

In 2021, we participated in Marvell's annual Go Green Expo to share our partnership's success generating over \$1 million in proceeds with over 6,000 Marvell employees in more than 22 countries.



Sold over 400 lots
Of Technology Material Scrap

8 Locations
Across the Country

Recovered over \$1M
For Marvell since 2017

SPOTLIGHT: ADM 2021 Value in Excellence Award

In early 2022, Liquidity Services was chosen from more than 500 Global Procurement Suppliers by ADM as the sole recipient of the 2021 Value in Excellence award.

ADM, a Fortune 500 agricultural origination and processing company with \$270 Billion in revenues, implemented its award program to honor company suppliers that deliver superior performance and exceptional value to ADM and its customers. In 2021, our Surplus Asset Management program was responsible for streamlining ADM's surplus inventory process, supporting its sustainability goals, and creating over \$11 million in incremental

value. Through this program, ADM recovered more than \$4 million from asset sales and over \$6 million from capital expenditures, achieving a combined \$11 million in revenue, cost avoidance, and capital expenditure savings.

Our Surplus Asset Management program enables the reuse and redeployment of ADM's underutilized assets, leveraging key circular economy enablers in the process. Through our work as an ADM supplier, we are able to support the global leader in human and animal nutrition and leverage its massive presence in the global food supply chain to support the circular economy.

"We rely on our suppliers and vendor partners to help us maintain the entire global food supply chain in a reliable, efficient and sustainable manner. We appreciate the continued partnership with Liquidity Services and are pleased to recognize their significant contributions to ADM with this award."

Camille Batiste, ADM Senior Vice President of Global Supply Chain and Procurement.



Over \$11M

Incremental value created

Recovered Over \$6M

From capital expenditures

More than \$4M

Recovered from asset sales

Operating Responsibly

Sustainability is the essence of our company and has been the guiding principle for our business model since 1999. Our work helping clients make more informed, sustainable decisions with their surplus assets would be undone if we managed those assets in an unsustainable manner. We take great pride in our operations, as we hope to serve as a paragon of sustainability and inspire other businesses to make the extra effort to reduce waste wherever possible.

"At Liquidity Services, sustainability is built into every facet of our business because it's good for business, our communities and the environment."

- William P. Angrick, III
CEO and Chairman of the Board of Directors

In 2021, we closed multiple offices across the country and began the transition to a flexible virtual hybrid model. While our initial goal was to protect employees from potential exposure to COVID-19, we made the decision to keep operations remote after realizing our waste generation was significantly reduced, without compromising our service offerings and customer experience. In 2016, the [EPA reported that the average office worker generates 2 pounds of paper and paperboard products every day](#), with paper accounting for 90% of all office waste. By switching to remote operations, we've been able to significantly reduce our office waste while maintaining high service levels to customers and associates.



Recycling Programs

While we were able to transition our offices to a flexible virtual hybrid model, our warehouses have been busier than ever as a result of increased retail returns. To address the waste within our warehouses, we've implemented multiple waste management programs that target specific waste and recycling categories.

Electronics Recycling

Our Electronics Recycling Program was established to ensure electronic items that we are unable to sell through our normal channels are not wasted. Items such as mobile phones, laptops, gaming consoles, and cameras are assessed for possible refurbishment, and those which cannot be wiped of data or are not in working condition are separated for recycling. We have maintained a partnership with eSCO Processing and Recycling, an Arkansas-based electronics recycling firm that receives our electronic waste and processes it sustainably, extracting precious materials such as gold and zinc and recycling the leftover product.

In 2021, we recycled around 435,900 lbs of electronic items across our Plainfield, IN, Garland, TX, and Las Vegas, NV warehouses.

Wood Pallet Reuse and Recycling

Every day, our warehouses receive thousands of returned and overstock goods sent on wooden pallets. While we do not have control over reducing

the number of pallets we receive, we actively work to reuse or recycle each one instead of throwing them away once the merchandise has been separated and sorted. Our Wood Pallet Reuse and Recycling Program consists of a process in which pallets are received, inspected, and identified as either "reusable" or "recyclable". Pallets in good condition are dispersed across our warehouses to be used again, and those which cannot are collected for recycling. We partner with a pallet supplier, which receives our pallet waste in bulk and uses the wood to build new pallets and make mulch, extending the lifespan of the wood materials.



In 2021, we were able to recycle nearly 40,000 pallets, which equates to around 600 tons of wood material.

Cardboard Reuse and Recycling

Originated in our Las Vegas warehouse, our Cardboard Reuse and Recycling Program is a process through which we sort, reuse, and repurpose cardboard that comes through our warehouse locations across the U.S. Many of the major retailers we work with choose to package their products in cardboard, resulting in around 250,000 pounds of cardboard material coming through our warehouses over the last several years.

Through our recycling program, we sort, reuse, and repurpose cardboard in an effort to reduce our contributions to the [4.2 million tons of paper and cardboard](#) material combusted annually in the U.S. Cardboard in good condition is repurposed to pack new orders, store products, and serve as transport vessels for products being shifted between warehouses. Any cardboard material that cannot be reused is sold to local recycling centers for processing, which often means turning into more cardboard.

In 2021, we recycled 2,545,468 pounds of cardboard across our warehouses.



Social: People and Communities

As we create a better future for surplus, we believe it is important to share our successes with our surrounding communities, as well as the employees who make Liquidity Services great. Our marketplaces support and sustain numerous small businesses, offering entrepreneurs access to 500+ categories of returned and surplus goods at reasonable prices. Additionally, our employees engage in volunteerism and regularly give back to local organizations across the U.S., dedicating their time and energy to improving their communities.

Furthermore, we strive to make Liquidity Services a rewarding and inspiring place to work. We seek out employees of all backgrounds and diversities, with the goal of finding individuals with a wide breadth of knowledge and experience that positively contribute to our company's mission. Our culture is focused on making our workplace a space where employees love what they do, continuously improve, and are given the resources to deliver exceptional customer experiences. Through professional development programs, benefits, incentives, and open communication, we strive to provide our employees with a workplace that fosters great ideas.



Communities

At Liquidity Services, we are committed to giving back to the communities we serve. Through employee-led volunteer events and partnerships with community-focused organizations, we support a number of causes that aim to make a difference in the communities we live and work in. It is our belief that as we continue to strive towards a Better Future, we make sure to account for everyone whose lives we can improve through our position as a sustainable commerce leader.

Key Core Values



Doing Well and Doing Good

By continuing to positively impact our clients and the environment, we make Liquidity Services a rewarding place to work.



Relentless Improvement

We embrace change and are motivated to constantly improve our individual and collective performance.



Shared Success

Everyone in our organization acts as leaders with a shared sense of pride in our accomplishments.



Empowering Small Businesses

Our marketplaces serve as platforms to provide small businesses access to assets they need. We've seen countless small businesses use the surplus they bought through one of our online marketplaces to start new businesses and grow existing ones. We make it a point to extend our marketplace solutions to small businesses to help these organizations raise cash and meet their working capital needs.

We recognize the importance of surplus assets to many small businesses, and we work to keep our marketplaces well-stocked so that we may continue to supply them with the goods they need to continue succeeding. Our core value of "Shared Success" dictates that we pass our accomplishments to the people who helped us achieve them, and with every win we put our efforts back into supporting the small businesses that patronize our marketplaces and support the circular economy.



Spotlight: SWAT Truck Boutique

While many small business owners use our marketplaces to stock their shelves, one entrepreneur's entire operation was created out of a purchase from our government agency surplus marketplace, GovDeals.

Small business owner Kelli Monday purchased a used Chevy P30 Van from her neighbor, who originally purchased it on GovDeals, and transformed the decommissioned SWAT vehicle into a traveling fashion boutique. Today, the SWAT Boutique serves as a mobile retail store, selling fashionable clothing and jewelry throughout Tennessee. With the closure of many malls and brick-and-mortar retail locations during the COVID-19 pandemic, the SWAT Boutique has found great success by bringing fashion directly to its customers.



PACKED W PURPOSE

This November, we decided to celebrate the holidays by gifting our employees around the world with gifts and snack boxes. To celebrate the season, employees based out of Europe, the Middle East, Africa, and Asia received gift cards, and those in Canada received treat boxes from Chocolate Soup.

Employees in the U.S. received treat boxes from Packed with Purpose, a woman-owned business working to create social impact through food and gift boxes. Our Thanksgiving Box was filled with ethically sourced, sustainably produced snacks and sweets from purpose-driven brands that work to support women and children in under-served communities, and educational initiatives among many more causes.



Local Communities

In 2022, our employees donated to and volunteered at a number of community-focused organizations:



Jonathan's Place

A number of our employees donate their time to this Texas-based organization, which works to provide a safe, loving environment for abused and neglected children, teens, and young adults. It is through these contributions that Jonathan's Place is able to continue to offer programs that provide support for individuals in the foster care system, as well as education for aspiring foster parents.

People

Training and Education

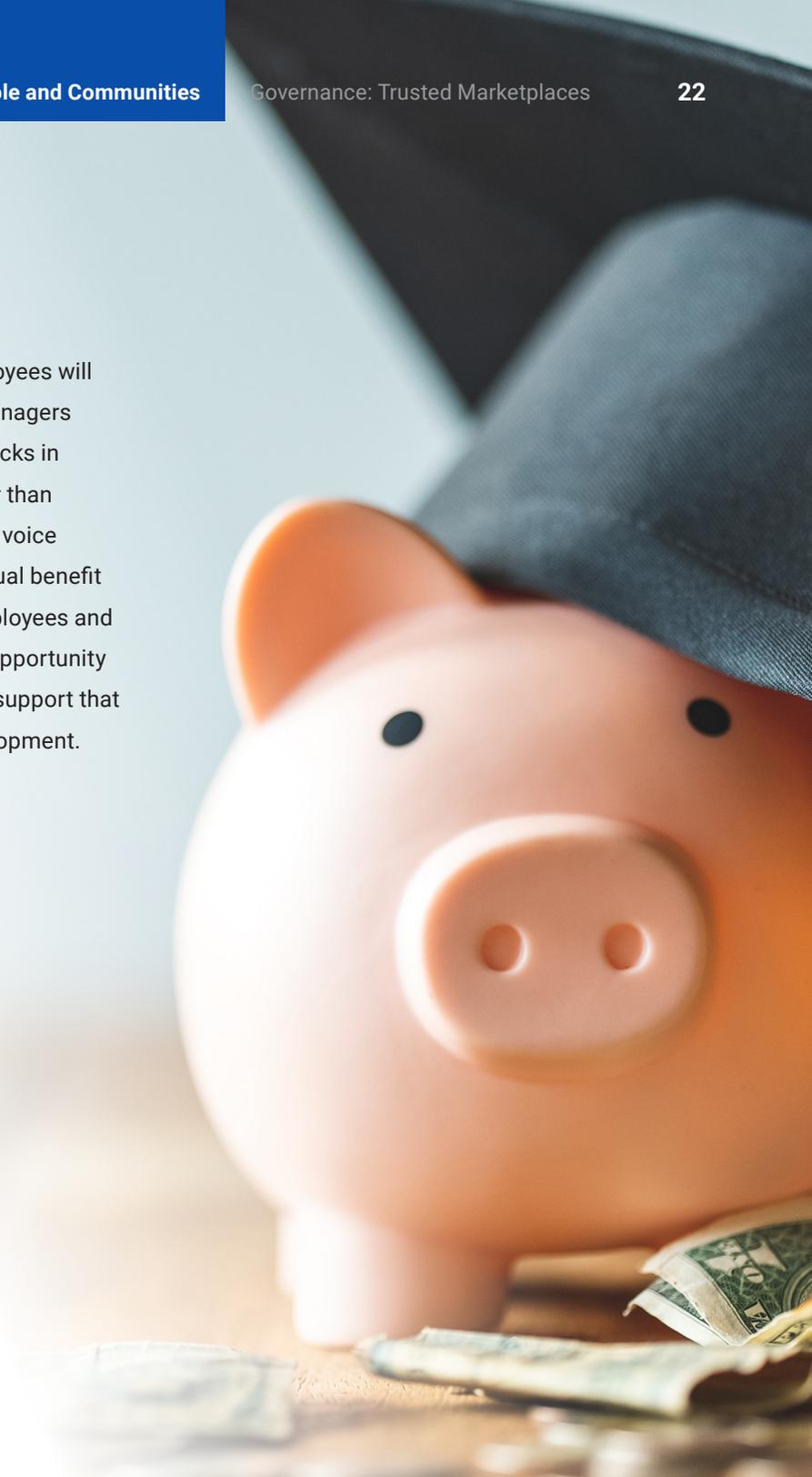
Employees who pursue continuing and higher education can take advantage of our Tuition Reimbursement Program, which offers \$1,500 a year per employee towards college courses, seminars, and certification tests. This program provides an incentive for employees to better themselves through education, which many of our employees have utilized to improve their understanding of our industry.

Investing in Our Employees

We believe offering our employees ample opportunities to improve themselves is the best way to improve our business. By offering benefits and initiatives that better our employees, we are able to keep our retention rates high and drive continual innovation and inspiration, which pushes us to achieve our collective goals.

In 2022 we will be adopting the Performance Conversations Method, a holistic approach to employee performance reviews which will replace our traditional, retrospective process. Through

Conversations for a Better Future, employees will engage in regular dialogue with their managers and will be able to work through roadblocks in their progress as issues come up, rather than waiting until the end of the fiscal year to voice concerns. This program will serve the dual benefit of improving conversation between employees and their managers, as well as offering the opportunity for employees to receive individualized support that fosters personal and professional development.



Diversity, Equity and Inclusion

Diversity and Equal Opportunity

We believe richness in diversity is a huge asset for Liquidity Services. We value both the similarities and differences in every member of our team. We believe this diversity builds a stronger organization and keeps in accordance with the core values of our company.

In order to achieve our goal of building the world's leading marketplace for surplus assets to benefit buyers, sellers, and the planet, it is crucial we attract, develop, and retain employees who deliver outstanding performance. To do so, we strive to make Liquidity Services a rewarding place to work and create an environment where we promote diversity, equity and inclusion.

We believe our employees are key to achieving our business goals and growth strategy. We track and report internally on certain key metrics, such as

employee engagement, employee net promoter scores, turnover rates, workforce growth and internal mobility.

We embrace diversity, equity, and inclusion. We actively recruit talent with a diversity of experiences, backgrounds, and ideas. By doing so, we aim to leverage the variety of skills and perspectives inherent in a diverse workforce, improve our problem-solving abilities, and bring innovative solutions to a wider range of clients and customers.

Non-Discrimination

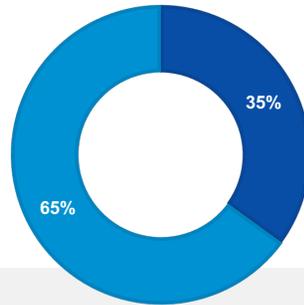
The Company insists all individuals must be treated with respect and dignity. Each individual should be able to work in a professional atmosphere promoting teamwork and attainment of the Company's goals. Improper interference with employees' ability to perform their expected job duties is unacceptable and unprofessional.

We expressly prohibit any form of unlawful discrimination and will not tolerate, condone, or allow such conduct by fellow employees, supervisors, managers, customers, or other non-employees who conduct business with the Company. This policy applies to all decisions affecting employees' terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training. Complaints alleging violations of this policy may be raised under the Company's Hotline Reports and Compliance Incidents policy.

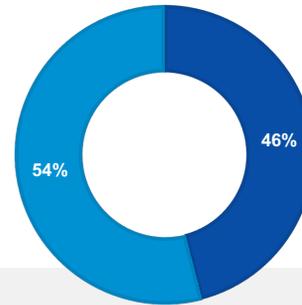


Employee Diversity

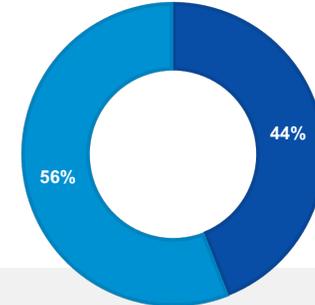
Gender Diversity Management vs Staff



Management
35% Female
65% Men

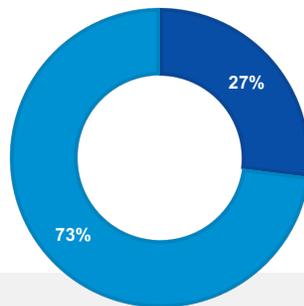


Staff
46% Female
54% Men

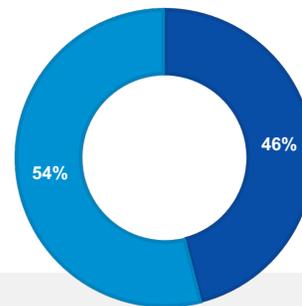


All Employees
44% Female
56% Men

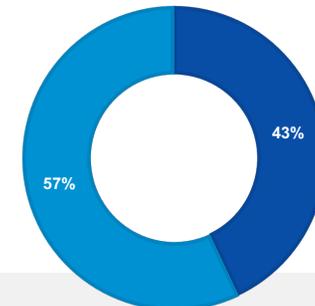
Ethnic Diversity Management vs Staff



Management
27% Minority
73% Non-Minority



Staff
46% Minority
54% Non-Minority

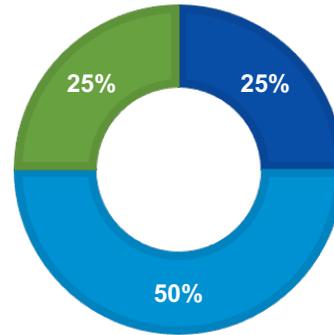


All Employees
43% Minority
57% Non-Minority

Board Diversity

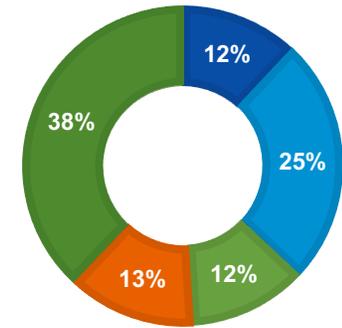
Liquidity Services recognizes the value of diversity among directors. We believe diversity is important because having a variety of viewpoints improves the quality of discussion, contributes to a more effective decision-making process, enhances the overall culture of the boardroom, and helps the Board address the complex issues it faces. Additional information on our directors and their specific qualifications and experience are set forth below.

For more information about our board of directors, see our [2022 Proxy Statement](#).



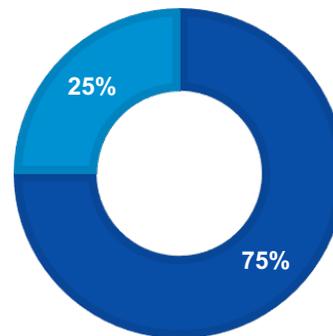
■ Age 50-59 ■ Age 60-69 ■ Age 70+

Age Diversity of Directors



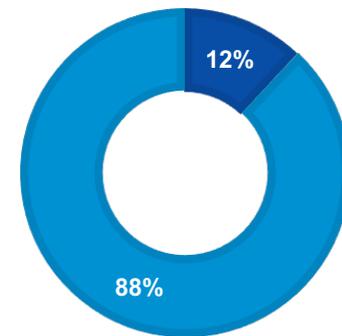
■ 0-5 Years ■ 5-10 Years ■ 10-15 Years
■ 15-20 Years ■ 20+ Years

Tenure Diversity of Directors



■ Male ■ Female

Gender Diversity of Directors



■ Minority ■ Non-Minority

Racial/Ethnic Diversity of Directors

Governance: Trusted Marketplaces

Since 1999, our trusted marketplaces have served as platforms to simultaneously connect businesses with buyers, and buyers with the assets they are looking for. With over 15,000 partnered sellers and more than 4.7 million buyers registered on our marketplaces, we pride ourselves on operating in a manner that demonstrates our core values of integrity, customer focus, and mutual trust and accountability.

These core values are guiding principles by which we operate our business, and it is because of the principles inherent to who we are that we have been able to become a leader in the circular economy.

As a publicly traded company, we manage our affairs consistent with our core values and applicable law. Our independent Board of Directors holds our management accountable by providing effective oversight of enterprise risk and decision-making. In addition, our quarterly financial statements are reviewed by Deloitte & Touche LLP, our independent registered public accounting firm (“Deloitte”), and publicly filed with the SEC. The independent review and transparency help safeguard the integrity of our financial statements.

We take our other responsibilities under federal law seriously. For example, we utilize Grant Thornton LLP to assist management in performing the testing required by the Sarbanes-Oxley Act of 2002. In addition, our directors, officers, employees, and agents are all subject to our Code of Business Conduct and Ethics, our guidelines for conducting business consistent with our core values.

See the full Code of Business Conduct and Ethics and our other [Governance Documents](#) to learn more about how we manage our affairs consistent with our core values and the highest principles of business ethics.



Ethics and Compliance

Liquidity Services is committed to maintaining high standards of ethical business conduct and strong corporate governance practices. The foundation to our high standards of business and professional conduct is supported by our core value of Mutual Trust and Accountability, as it determines how we treat each other and those with whom we conduct business.

We understand that to win and keep our customers' trust, we must operate all facets of our business with integrity, from our Board of Directors and management to our workforce and commerce services which drive the circular economy. All employees are expected to uphold Liquidity Services' [Code of Conduct](#). Employees receive annual training on the Code of Conduct and related policies, and are also encouraged to use the company's Compliance and Ethics Helpline to report potential policy, Code of Conduct, or ethics violations.

Our suppliers, vendors and other partners are required to adhere to our [Supplier Code of Conduct](#), which outlines general expectations and requirements for behaving consistently with Liquidity Services' values.



Trust and Transparency

As part of our commitment to transforming the circular economy through use of digital technologies, we also understand the importance of safeguarding the privacy and security of customer data and personal information. All Liquidity Services employees complete cybersecurity awareness training, and those who have access to personal information are also required to receive privacy training. Our Privacy Policy states what information we collect, how that information is collected, for what purposes we collect information (specifically including the legal basis on which Personal Information we collect will be processed), how that information is used, who we share it with, and under what circumstances that information would be released. Our Chief Technology Officer reports quarterly to the Board of Directors on information security matters.

Our commitment to strong governance practices is set forth in the [Governance](#) section of our company website, as well as in our [Corporate Governance Guidelines](#).

Our Board's Committees are all comprised of only independent directors and assist the Board with focused oversight of critical enterprise risks:

Audit



- Integrity of our financial statements in accordance with securities laws applicable to public companies
- Effectiveness of internal controls over financial reporting
- Engagement and oversight of our independent auditors
- Compliance with legal and regulatory requirements
- Review of environmental, social and governance disclosures in the Company's annual report

Compensation



- Management compensation
- Annual CEO goals and evaluation
- Stock and stock-based plans
- Oversight of policies and strategies relating to culture and human capital management, including diversity and inclusion

Governance



- Director candidate review and recommendations
- Board and committee composition
- Corporate governance guidelines and other governance matters
- Annual Board self-assessment
- Environmental, social and governance risks and the Company's environmental and social goals, policies and programs



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